



State of Utah

DEPARTMENT OF COMMERCE
Committee of Consumer Services

Minutes of the Meeting of the Committee of Consumer Services held
In the Heber M Wells Building, Salt Lake City, on 27 April 2005.

Dee Jay Hammon called the meeting to order at 11:33 a.m. in Room 4A, Heber M. Wells Building.

Members of the Committee in Attendance:

Franz Amussen
Kelly Casaday

Ryan Atkinson
Dee Jay Hammon

Kent Bateman
Betsy Wolf

Staff in Attendance:

Dan Gimble
Cheryl Murray
Nancy Kelly

Reed Warnick
Eric Orton

Paul Proctor
Chris Keyser

Members of the Public in Attendance:

Dave Anderton
Barrie McKay
Russell Skousen

Steve Oberbeck
Roger Ball
Jason Perry

Claire Geddes
Leslie Reberg
Clark Caras

1. Administrative Matters

1.1. Welcome and Apologies for Absence

Dee Jay Hammon welcomed all those present. Oliwia Smith & Chris Jepsen were excused.

1.2. Dates and Locations of Next Meetings

Not decided as of now.

1.3. Letter from Governor Huntsman Nominating Leslie Reberg to Serve as Committee Director

1.4. Betsy Wolf proposed Ms. Reberg to make a public statement regarding her knowledge and qualifications for the job and her vision for the committee. Franz Amussen seconded the proposal. The motion failed 2-4 votes.

1.5. Betsy Wolf proposed the interview to be conducted in open session and the deliberation of the appointment of Ms. Reberg to be in the closed meeting. The motion was not seconded.

2. Closed Meeting – Personnel Matters and Pending Litigation
 - 2.1. Kelly Casaday proposed to go into closed meeting to discuss character, professional competence, or physical or mental health of an individual. Ryan Atkinson seconded the motion. It passed with a 5-1 vote. Betsy Wolf opposed.
 - 2.2. Kelly Casaday proposed to go into open session. Kent Bateman seconded the motion. The motion passed with a unanimous vote.
3. Motions On Matters Discussed in Closed Meeting
 - 3.1. Kelly Casaday proposed the concurrence with Governor Huntsman's appointment of Leslie Reberg as Executive Secretary of the Utah Committee of Consumer Services. Franz Amussen seconded the motion and it passed with 4 votes. Betsy Wolf and Dee Jay Hammon opposed.
4. Kelly Casaday proposed we go into closed meeting to discuss litigation issues. Kent Bateman seconded the motion and it passed with unanimous vote.
 - 4.1. Franz Amussen proposed to go into open session. Kent Bateman seconded the motion. The motion passed with unanimous vote.
5. Electricity
 - 5.1. PacifiCorp's Storm Outage Report—CCS Response

Dan Gimble discussed the work he and Reed Warnick are doing on finalizing the Committee's response to the Company's storm report. They are in the final stages of working on the recommendation report. They plan to finalize the report by the 6th of May, and file it on 9 May 2005.
 - 5.2. Schedule 38 Avoided Cost Order

Cheryl Murray discussed the Qualified Facility (QF) and Avoided Cost issues. Issue hearings were held on the 24th and 25th of March, where the Committee and Division of Public Utilities both recommended that the Commission allow Exxon Mobile to contract with PacifiCorp for the remaining 100 Megawatts.
 - 5.3. PCAM (Power Cost Adj. Mechanism) Discussions

Nancy Kelly talked about discussions on PCAM; these discussions raised the question, what are the long-range view with power production and the use of coal instead of gas?
 - 5.4. CCS IRP Comments

Nancy reported that Committee Staff filed reports on Monday, 25 April 2005, on PacifiCorp's Integrated Resource Plan (IRP). Nancy didn't consider it to be the least cost nor least risk plan. There were two main critiques that we used and the first was that it was weighted too heavily towards gas resources and second was that it might be weighted too heavily towards short, intermediate and indexed market contracts. We introduced a portfolio that covered these shortcomings, by using coal in a more heavily weighted portion. It was also urged that PacifiCorp do

a long-term plan for customers and power production.

5.5. HELP Low Income Program

Chris Keyser talked about the HELP Program and its benefits. The program was supposed to be a three-year pilot and it is now in its fifth year, based on a three-year extension. Quantec provided a final report on the process of the program and the impact of the program. According to Quantec the program is offering a critical service to Utah families in need. It has reduced the average participant's energy burden by approximately 17%. Quantec believes it has had a major societal benefit. The interested parties met on April 18, 2005 to discuss some of the issues for the party members. They also scheduled dates to go forward. The Committee must have recommended issues approved and submitted by 13 May 2005.

6. Telecommunications

6.1. LDA Update

Paul Proctor discussed the Land Development Agreement (LDA) between Qwest and contractors who were doing the work in place of Qwest. Settlement discussions were unsuccessful and the hearing will finish on May 3rd and 4th, 2005. The Committee's position is that Qwest must continue to run its business.

6.2. SB108 Implementation

Paul Proctor talked about the Rule Making Proceeding, which is ongoing. The rules have not been published, so the Committee will comment at the time they are published. They are basically parroting the terms of Senate Bill 108, with a few changes. Paul says this is going to go forward and he doesn't anticipate any problems.

6.3. Counties vs. Qwest

Paul Proctor talked about the Counties vs. Qwest. Qwest filed a motion for summary judgment; we filed a memorandum in opposition to it. We want the case to go to a hearing; we don't want to dismiss it summarily. The Committee will argue the case in front of the Commission on the morning of Friday 29 April 2005.

7. Natural Gas

7.1. QGC's Gas Management Program Filing

Reed Warnick talked about Questar Gas filing its direct testimony in its docket to recover gas procession costs. They are not only asking for cost going forward but for costs going back to 1 January 2003. They filed on the 15th of April and we must respond by the 15th of August.

8. Legislative Matters

8.1. Legislative Bills for Interim Study

Chris Keyser went over the list of bills in interim study, which is on the handout that she supplied with the discussion.

8.2. State Energy Policy

Cheryl Murray reviewed the State Energy Policy and discussed what it is. She discussed the issues and the implementation needed to implement a good energy policy. The items put forward as most important for the policy are: first, conservation, received eight votes; second is incentives for clean coal, which received five votes; third is economic development, which received six votes. The next category was the Energy Office, which they suggested should be strengthened, and suggested to enhance the role of the energy office, which got three votes.

9. Community Outreach Efforts

Chris Keyser gave out a handout on Community Outreach and showed some documentation.

10. Other Business

There is no other business.

Kelly Casaday proposed that we close this meeting. It passed with 6-0 votes. Meeting ended at 3:40 p.m.